



HUMAN RESOURCES AND BENEFITS

P.O. BOX 24570
OAKLAND, CALIFORNIA 94623-1570

April 2006

Dear LANL Retiree:

You may have been hearing a lot of news related to the transition of the management of the Los Alamos National Laboratory to Los Alamos National Security LLC, or LANS, on June 1, 2006. I am writing to tell you how this change in management of the lab will affect you as a LANL retiree receiving your pension benefit from PERS.

Your monthly pension

There will be *no change in your monthly pension benefit*. You will continue to receive your monthly benefit in the same manner you do now, directly from PERS. You will remain a retiree of the Public Employees Retirement System and your vested benefits in this plan will not change.

Your health care and other insurance coverage

As part of the contract between LANS and the Department of Energy, health care and other insurance coverage for LANL-PERS retirees will be provided through LANS after the transition. However, UC will continue to deduct your insurance premiums, if any, and/or pay your Medicare Part B reimbursement, if any, directly from your monthly PERS pension check through the end of 2006. This will allow LANS more time to develop the systems and procedures it needs to handle this premium payment function on its own beginning in 2007.

Your insurance coverage for medical (through UnitedHealthcare plans or Blue Cross Core), dental (through Delta Dental), legal (through ARAG), and AD&D (through American Home) will continue through LANS beginning June 1, 2006. If you are enrolled in any other medical plan or PMI Dental, you will need to change plans; LANS will contact you about your options. You will also be receiving new medical insurance cards sometime around June 1. Any changes which may affect your coverage (moving out of the Select EPO service area or family changes) should be reported to LANS beginning June 1.

Public forums

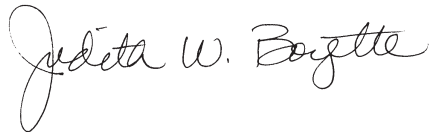
LANS and UC are planning joint meetings specifically for retirees in May. See the websites listed below for announcements, dates and locations of these meetings.

For those outside of the Los Alamos area and for those with further questions, here are some additional sources of information that you may find helpful:

The LANS website	www.lansllc.com
The LANL Transition website	http://transition.lanl.gov/
The UC Customer Service Center	1-800-888-8267

As LANL retirees, you have been an important part of the UC family. It has been an honor to serve you as a member of our retirement program.

Sincerely,

A handwritten signature in cursive script that reads "Judith W. Boyette". The signature is written in black ink and is positioned above the printed name and title.

Judith W. Boyette
Associate Vice President
Human Resources and Benefits